



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 29, 2011

CERTIFIED RETURN RECEIPT
7004 1160 0003 0191 9295

Robert Hicken
Mountain Valley Stone, Inc.
2276 South Daniels Road
Heber, Utah 84032

Subject: Evaluation of Reclamation Surety, Mountain Valley Stone, Inc., Peoa Blonde Quarry
M/043/0012, Summit County, Utah

Dear Mr. Hicken:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Peoa Blonde Quarry mine was \$54,900 and escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed spreadsheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. They are available on the web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by October 15, 2011 so the information is incorporated into the approved plan.**

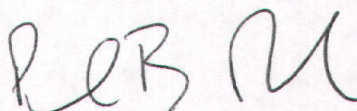
If you have questions about the spreadsheet or calculations, please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov.

The Division also requests that you review the current Notice of Intention to Conduct Large Mining Operations (NOI) is adequate and reflects the current operation conditions. Any necessary changes should be addressed by submitting an amendment to the NOI.

Robert Hicken
Page 2 of 2
M/043/0012
August 30, 2011

Thank you for your cooperation. Please call me at 801-538-5261 or email me at paulbaker@utah.gov if you have questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Mining Program Manager

PBB:lah:pb

cc: BLM Salt Lake City Field Office

P:\GROUPS\MINERALS\WP\M043-Summit\M0430012-PeoaQuarry\Final\ESCAL-08292011.doc